

Exhibit 5

Excerpts from Callan Proposal to TRS
FOIA01231-33, 01270



CALLAN ASSOCIATES^{INC.}

SAN FRANCISCO

NEW YORK

CHICAGO

ATLANTA

DENVER

JAN 06 2006

Bid Opening Date: 1-06-06
Bid Title: Gen. Inv. Consult
Opened By: [Signature]

Teachers' Retirement System



Retirement Security for Illinois Educators

PROPOSAL FOR INVESTMENT CONSULTING SERVICES

JANUARY 3, 2005

MAIN DOCUMENT

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Callan Associates Inc.

FOIA01232

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Under Separate Cover

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Revenue Received by Callan from Managers Employed by TRS (Confidential)



Callan Associates Inc.

Teachers' Retirement System*Retirement Security for Illinois Educators***Investment Consultant Services Questionnaire**

- total value of all trades done with each broker
- number of shares traded with each broker
- average cents per share commission paid to each broker
- average cents per share that the execution price is away from the market price (average high and low) for each trade
- true cost of executing each trade.

The analysis identifies the average commissions and execution costs for each manager and broker, and compares these trading results against a large sample of other managers, brokers, and funds in our database.

L. Describe your firm's capabilities in transition management evaluation.

Callan was the first in the industry to recognize that a transition management is not just about portfolio liquidation. Callan began providing Transition Consulting assistance to plan sponsors in 1986. The practice was formalized in 1991 with the formation of the Trust, Custody, and Securities lending group head by Bo Abesamis.

Callan believes that transition management is short-term asset management and requires the skill and prudence of an investment fiduciary. Callan was the first in the industry to support the development of a pre-screened, pre-qualified, pre-contracted "bench or pool" of transition managers that would be able to respond to all facets of transition management (whether it be portfolio liquidation, asset allocation re-balancing, manager restructure, etc.) at the client's "beck and call" when the need arises.

Since 1999, Callan has completed 32 transition management reviews and searches with total assets at around \$350 billion. Callan has met, conducted on-site visits and/or provider analysis of the following *institutional* transition managers over the last three years:

- Abel Noser
- Bear Stearns Transition Services
- BGI
- BNY Brokerage
- Capital Institutional Services
- Citibank (Salomon Smith Barney)
- CS First Boston
- Deutsche Bank
- Donaldson & Co.
- Goldman Sachs
- JP Morgan
- Lehman